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of Counsel JOHN J. MCAVOY J.K. HAGE !!!+

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WRITER'S DIRECT DIAL

August 30, 1996

RECEIVED

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

William F. Caton, Acting Secretary Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

Re: Notice of Written Ex Parte Presentation CC Docket No. 96-98

Dear Mr. Caton:

RUSSELL D. LUKAS

DAVID L. NACE

PAMELA L. GIST DAVID A. LAFURIA

TERRY J. ROMINE

GERALD S. McGOWAN

THOMAS GUTIERREZ

ELIZABETH R. SACHS

GEORGE L. LYON, JR.

MARCI E. GREENSTEIN⁺
MARJORIE GILLER SPIVAK

MARILYN SUCHECKI MENSE

PAMELA GAARY HOLRAN

B. LYNN F. RATNAVALE

+ NOT ADMITTED IN D.C.

J. JUSTIN McCLURE+

On behalf of the Margaretville Telephone Co, Inc., this notice is submitted in accordance with Section 1.1206(a)(1) of the Commission's Rules, with the original and one copy submitted to the Commission's Secretary.

At the direction of Larry S. Roadman, President of Margaretville Telephone Co., Inc., a copy of the attached letter was provided to Rudolfo M. Baca, concerning the above-referenced docket. The letter was addressed to The Honorable James Quello, Commissioner.

Very truly yours,

B. Lynn F. Ratnavale

13. Fynn F. Ramavale

c: Rudolfo M. Baca (by hand-delivery)

740 0+2 margin 0+2

Margaretville Telephone Co., Inc.

Margaretville, New York 12455

August 30, 1996

The Honorable James H. Quello Commissioner Federal Communications Commission Washington, D.C. 20554

Re: August 8, 1996 Statement of Commissioner Quello on the FCC's Interconnection Report and Order under the Telecommunications Act of 1996 - CC Docket No. 96-98.

Dear Commissioner Quello:

I want to thank you for issuing your statement regarding the Commission's Interconnection Report and Order. Your specific recognition of and interest in the unique concerns of the small, rural telephone companies was particularly appreciated.

As the president of the small company whose comments were cited in your statement, I am also writing to clarify our comment regarding an incumbent telephone company's "reasonable, investment-backed expectation to hold competitive advantages over new market entrants." We are not seeking to perpetuate our monopolistic advantage in the face of the tide of telecommunications competition. We are trying to establish our right to compensation, in some appropriate form, for what is to be taken from us.

Interestingly, you alluded to this right to compensation in your statement, when you addressed the Bell Operating Companies: "You will open your markets to competitors, and in return you will become competitors in other markets" (emphasis added). Our comments to the Commission were intended to highlight 1) our understanding of our right to compensation and 2) the de facto receipt of such "compensation" by the Bell Companies who were provided new opportunities to compete in new markets within their own service areas.



In their Order, we believe the Commission incorrectly rejected our position. Your statement gives indication that the meaning of our comment may have been misunderstood, thereby leading to a rejection of our position.

Again, I want to thank you for the interest and commitment shown by you in issuing your statement.

Sincerely,

Larry S. Roadman

President

cc: Rudolfo M. Baca

Margaretville Telephone Co., Inc.

Margaretville, New York 12455

August 30, 1996

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Larry S. Roadman

President

cc: Rudolfo M. Baca